

EX PARTE OR LATE FILED



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July 17, 1996

Mr. William F. Caton  
Acting Secretary  
Federal Communications Commission  
1919 M Street, NW, Room 222  
Washington, D. C. 20554

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FEDERAL COMMUNICATIONS COMMISSION  
UNIT OF RECORD

Re: Ex Parte - CC Docket 96-98  
Implementation of the Local Competition Provisions  
of the Telecommunications Act of 1996

Dear Mr. Caton:

This letter responds to the request of Mr. Stuart Kupinsky of the Policy and Program Planning Division of the Commission's Common Carrier Bureau to provide information on how the cost of electronic gateways and interfaces should be recovered.

The proposal for each local service provider to deploy an electronic gateway used to transmit messages electronically between carriers is the most efficient and cost effective means of communicating information needed for pre-ordering and ordering, provisioning, repair and maintenance and billing. This information is needed to install or transfer local service, maintain and issue a bill to a customer.

Cost recovery for the electronic gateway should be recovered by each carrier as part of its infrastructure expense similar to the internal recovery of billing, customer account maintenance, account inquiry, etc., expenses assumed by each carrier. Having each carrier recover its own gateway expense is competitively neutral and is consistent with the expectation that local exchange competition will benefit all local exchange customers.

A proposal made by some incumbent local exchange providers would recover costs by charging a transaction fee for each message. The preliminary designs for transaction sets or messages needed to fulfill just the ordering and provisioning processes indicate that 1) messages

W. K. Cox D+Z



are exchanged in both directions, and 2) each query is likely to be followed by a response message, resulting in near equal number of messages generated in both directions. The following is an example for a CLEC initiated order (the transactions are the same for an ILEC initiated order, when a customer moves from a CLEC to an ILEC):

<b>Sending Party</b>	<b>Message Type</b>
CLEC	EDI <sup>1</sup> 850--Service Order
ILEC	EDI 997--Service Order Acknowledgment
CLEC	EDI 860--Supplement to Service Order (optional)
ILEC	EDI 855--Reject (if applicable)
CLEC	EDI 850--New Service Order (if applicable)
continue as above	continue as above
ILEC	EDI 855--Firm Order Confirmation
ILEC	EDI 855--Jeopardy (if applicable)
CLEC	EDI 860--Supplement to Service Order with New Due Date (if applicable)
ILEC	EDI 855--Service Order Completion

The transactions sets remaining to be developed by the industry for pre-ordering, repair and maintenance and billing will follow the same pattern of query and response. Given that the transaction sets are typically designed to be reciprocal, each carrier would charge each other for each message sent. AT&T believes it would be a barrier to competition to have an unnecessary usage charge added to the CLECs cost of providing local exchange service and make it impossible to compete with flat-rated service offerings. In addition to the transaction

<sup>1</sup> EDI is the Electronic Data Interexchange, which is an industry standard format for computer to computer communications.

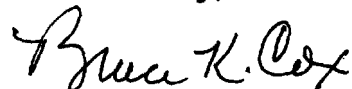
**charge, costs would be incurred to develop tracking systems, billing formats and processes to enable each party to bill the other.**

**A precedence for not having a transaction charge is found in the way access ordering and provisioning is done today. An interexchange carrier sends an Access Service Record (ASR) to the ILEC requesting access service. The ILEC responds with either a Firm Order Confirmation or a Jeopardy. An IXC may also send a Supplement to an access order for which a Firm Order Confirmation is returned from the ILEC, or if applicable, a Modify or Cancel message. When the provisioning is complete the ILEC sends a Service Order Completion message. There are no charges associated with these transactions today. There is a tariffed service order charge in the ILEC access tariff through which the ILEC recovers its service order and provisioning costs, including the costs to formulate and send or receive transactions.**

**AT&T proposes that a similar process for cost recovery be implemented for transactions required for customer local service implementation.**

**In accordance with Section 1.1206(a)(1) of the Commission's Rules, two (2) copies of this Notice are being filed with the Secretary of the FCC.**

**Sincerely,**

A handwritten signature in cursive script, appearing to read "Bruce K. Cox".

**cc: Mr. Stuart Kupinsky**